RECENT CASES

BILLS AND NOTES—ACCOMMODATION MAKER—EXTENSION OF TIME OF PAYMENT—EFFECT.—COWAN V. RAMSEY, 140 PAC. (ARIZ.) 501.—*Held,* that where the payee of note who has knowledge that the defendant maker signed merely for the accommodation of the other party, and the payee enters into a binding agreement for an extension of time with the other party, the accommodation maker is not thereby discharged.

Before the passage of the Negotiable Instruments Law, one who made a promissory note for the accommodation of another was, as between the parties, a surety. The holder, who had knowledge of the true relation of the parties, was bound to act towards such accommodation maker as toward a surety in order to preserve his rights against him. Under such circumstances an extension of time to the person ultimately liable, without the consent of the surety, that is, the accommodation maker, released the latter. *Guild v. Butter,* 127 Mass. 386; *Barron v. Cady,* 40 Mich. 259; *Wright v. Bartlett,* 43 N. H. 548; *Bank v. Walter,* 104 Tenn. 11. There were, however, a few early cases which held, as a result of the influence of Lord Mansfield's decision in the case of *Fentum v. Pocock,* 5 Taunton 192, that the accommodation acceptor or maker is the party ultimately and primarily liable, regardless of any knowledge the payee or holder might have. *Wilson v. Isbell,* 45 Ala. 142; *Cronise v. Kellogg,* 20 Ill. 11; *Anderson v. Anderson,* 4 Dana (Ky.) 352. This was the minority view. The principal case rests on the ground that the Negotiable Instruments Law has changed the prevailing common law so as to make the accommodation maker or acceptor primarily and not secondarily liable. If this is true there is no escape from the conclusion of the court. The courts have almost unanimously taken this view in the few cases so far adjudicated. *Vanderford v. Farmers, etc., Nat. Bank,* 105 Md. 164, 66 Atl. 47; *Cellers v. Lyons,* 49 Oreg. 186, 89 Pac. 426; *Waestenholme v. Smith,* 34 Utah 300, 97 Pac. 329; *Bradley Engineering & Mfg. Co. v. Heyburn,* 56 Wash. 628, 106 Pac. 170; *National Citizens Bank v. Toplitz,* 81 App. Div. 593, 71 N. E. 1; *Richards v. Market Exch. Bank Co.,* 81 Ohio St. 348, 90 N. E. 1000; *Fritts v. Kirchdorfer,* 136 Ky. 643, 124 S. W. 882; *Union Trust Co. v. McGinty,* 212 Mass. 205, 98 N. E. 679; *Murphy v. Panter,* 125 Pac. (Oreg.) 292; *Lumberman's Nat. Bank v. Campbell,* 121 Pac. (Oreg.) 427. The Iowa Court is the only one which has taken a contrary view. *Fullerton Lumber Co. v. Snouffer,* 139 Iowa 176, 117 N. W. 50. In the case of *Collers v. Lyons, supra,* the court maintained this view notwithstanding the fact that the word "surety" was placed after the accommodation maker's signature. The decision in this case has been criticized because it did not consider a provision of the act that "a person placing his signature upon an instrument otherwise than as maker, drawer or acceptor is deemed to be an indorser, unless he clearly indicates by appropriate words his intention to be bound in some other capacity." Whatever views one may entertain about the correctness of the decision in the principal case on principle, it is certain that it is entirely in accord with the well considered cases.

COMMERCE—STATE REGULATION—CONGRESSIONAL INACTION—RATES FOR INTER-STATE FERRIAGE.—PORT RICHMOND AND BERGEN POINT FERRY CO.